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THE EUROPEAN UNION**

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Subject : **Governance on the European Consensus for the Development - Towards a
harmonised approach within the European Union**
**- Conclusions of the Council and the Representatives of the Governments of
the Member States meeting within the Council**

At its meeting on 16 October 2006, the General Affairs and External Relations Council, in its formation of Development Ministers, and the Representatives of the Governments of Member States meeting within the Council, adopted the Conclusions set out in the Annex to this note.

CONCLUSIONS

OF THE COUNCIL AND THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES MEETING WITHIN THE COUNCIL

on the Governance in the European Consensus on Development: Towards a harmonised approach within the European Union.

THE COUNCIL:

1. WELCOMES the Commission communication on "Governance in the European Consensus on Development– towards a harmonised approach within the European Union", which provides an important step towards a common EU understanding on democratic governance. The Communication acknowledges the multidimensional and holistic nature of governance and is based on an approach respecting national ownership, dialogue and focusing on results and incentives for reform within the overarching objectives of poverty reduction and sustainable development. RECALLS that the common objectives, values and principles in the European Consensus on Development – including good governance – shall be applied in Community assistance in all regions. LOOKS FORWARD to further development of a coherent EU approach to governance that should be based on close consultations between the Member States and the Commission as well as on experiences from all regions;

2. UNDERLINES that a holistic approach on governance also entails mainstreaming of human rights and fundamental freedoms, good governance and rule of law to all policy sectors and EMPHASISES the importance of transparent management of public finances and sustainable management of natural resources. These above principles should be equally applied to all regions.

3. EMPHASISES the principles of national ownership, alignment and mutual accountability; STRESSES that democratic governance related reforms cannot be imposed. Countries themselves have to decide upon and implement their own strategies for reform. The pace, schedule and the unique situations of the countries need to be respected. The EU stands ready to continue its support for such reforms and is willing to cooperate with relevant stakeholders;

4. STRESSES the importance of political commitment and dialogue in partner countries and UNDERLINES that national accountability and the responsibility of governments at all their levels towards their people, is a prerequisite for democratic governance processes. This accountability includes the obligation of any government to respect, promote and protect human rights and fundamental freedoms of all, to respect and promote democratic principles and the rule of law, access to information, access to justice and to ensure a transparent management of resources. The role of national parliaments, local and regional authorities, civil society, human rights defenders and other relevant stakeholders needs to be emphasised;

5. STRESSES the importance of regular political dialogue between the EU and the partner countries in all regions. The dialogue should also be conducted with regional organisations and should cover all aspects of democratic governance in order to facilitate mutual understanding of reforms needed, and also to guide support measures;

6. RECALLS that in line with the harmonisation commitments of the Paris Declaration the EU and other donors need to align their support to national processes and strategies on democratic governance and use country systems and procedures to the maximum extent possible.

Harmonisation should also be pursued with emerging donors, including in the framework of bilateral dialogue with those countries. Relevant international and regional systems should also be utilised. Close cooperation under the partner countries' leadership and building on existing mechanisms within the donor community is necessary for effective support. This calls for shared analyses, joint assessment tools, harmonised dialogues and common programming frameworks, including joint identification of objectives for support to the reform processes, with a view to providing coherent, complementary and harmonised support to in-country democratic governance processes.

7. INVITES the Commission and Member States to further deepen the work on common assessment and monitoring tools, including the work in progress at European level to achieve better complementarity among donors. Enhanced EU cooperation should be linked to national processes including PRSPs. Whenever the development of common strategies is already under way, such as Joint Assistance Strategies or similar processes, joint programming should complement, strengthen and, whenever possible, be part of these existing processes, in order to avoid unnecessary parallel processes.¹

8. TAKES NOTE of the current work of the UN system, the World Bank, the OECD/DAC and other partners in the field of democratic governance and calls for further debate on synergies and co-operation in this field;

¹ April 2006 Conclusions, doc. 8388/06, paragraph 48, p. 12

9. RECOGNISES that although support to democratic governance is more than tackling corruption and that it must not be addressed in isolation, corruption is a major obstacle to achieving development objectives and a symptom of poor governance. International and regional agreements, *inter alia* on corruption, must be adhered to, ratified and duly implemented by all parties;

10. CONSIDERS gender equality, women's empowerment and social equality as crucial dimensions of democratic governance and central to achieving the MDGs and HIGHLIGHTS the importance of systematic inclusion of the gender and social dimensions in all programming and implementation of governance support;

11. WELCOMES the Governance Initiative for the ACP countries as an important step in the implementation of the EU-Africa Strategy and EMPHASISES the need to ensure coherence between the initiative and ongoing activities in the fields of political dialogue within the framework of the Cotonou Agreement, in particular with a view to developing the provisions of Annex VII on political dialogue as regards human rights, democratic principles and the rule of law and also within the framework of the Barcelona process; NOTES the importance of the Governance Initiative in the implementation of the EU- Strategy for the Caribbean and the EU-Strategy for the Pacific.

12. WELCOMES the approach of the Governance Initiative based on incentives for reform; ACKNOWLEDGES that the programming tools that support the programming of the 10th European Development Fund (EDF) can facilitate the assessment of the state and trends of governance;

13. STRESSES the need for the programming of the incentive tranches of the Governance Initiative to be inclusive, accountable and implemented with enough time while ensuring aid predictability; INVITES therefore the Commission to apply flexibility within the programming of the incentive tranches of the Governance Initiative on a country-by-country basis in order to take into account differing circumstances at the country-level, ensure proper linkage with nationally owned processes and take into account the work of Member States and other donors;

14. RECALLS that the allocation of incentive tranches of the Governance Initiative should be thoroughly discussed between Member States and the Commission; STRESSES the need for the Commission to involve the relevant bodies of the Council; NOTES that the Commission will present the results of the programming exercise at the EDF Committee in a timely, phased and regular manner, thus ensuring proper exchange of views and a timely conclusion of the programming process;

15. WELCOMES the use of governance profiles based on current situation and on trends; STRESSES however that the profiles should reflect national development plans and indicators; INVITES the Commission and the Member States within their respective competences to actively cooperate in the development of the profiles and assessment criteria both in the headquarters and in the field with a view to their possible use also by the Member States in their bilateral strategies, policies and programmes;

16. WELCOMES the African Peer Review Mechanism (APRM) as a participatory self assessment tool for encouraging reforms, mutual learning and strengthening ownership and CONFIRMS the readiness of the EU to continuing support to the process and the reforms it generates at the national level; INVITES the Commission and Member States to exchange information on financial support provided to the APRM process and requests the Commission to regularly monitor and report on EU support to the APRM;

17. NOTES the growing importance also of other evolving African institutions and initiatives such as the Pan-African Parliament, the African Court of Justice, the African Commission on Human and Peoples' Rights and the Economic Social and Cultural Council of the African Union;

18. REQUESTS the Commission and Member States to engage in a joint review process on the Governance initiative, with regular expert-level cooperation and REQUESTS a report by the Commission to the Council in 2008;

19. NOTES that the Commission Communication has a operational focus on the ACP region; STRESSES the importance of a balance and consistency between geographic regions in addressing democratic governance processes and INVITES the Commission and the Member States to apply good practices and consistent approaches across regions and countries; in this context, LOOKS FORWARD to a concrete proposal for the Neighbourhood Policy by the Commission, in close coordination with Member States, including the relevant bodies of the Council; INVITES the Commission to emphasise governance in programming in all regions;

20. ACKNOWLEDGES that in fragile states a lack of political legitimacy is often compounded by very limited national institutional capacities; UNDERLINES the importance of political commitment to carry out substantial reforms and the importance of ownership as a guiding principle when supporting institution building; EMPHASISES that good governance, observance of the rule of law, respect for human rights, fundamental freedoms and the existence of inclusive political processes, with the participation of civil society, are important elements which mitigate against instability and contribute to improve the situation in fragile states.

21. STRESSES the need to ensure an effective approach to cooperation with fragile states in order to avoid their marginalisation and UNDERLINES the need to address the prevention of state fragility through coherent, complementary and harmonised approaches adapted to each country situation and building on previous experiences and lessons learned.

In adopting these conclusions, the Council and the Representatives of the Governments of the Member States meeting within the Council refer to the following conclusions and statements:

- The Council conclusions of November 2003 on Governance in the context of Development Cooperation¹;
- The 2005 Joint Development Policy Statement: "The European Consensus on Development"²
- The Paris Declaration on Aid Effectiveness of March 2005
- The Council conclusions of April 2006 on Financing for Development and Aid Effectiveness: Delivering more, better and faster ³
- The EU Strategy for Africa: "The EU and Africa: Towards a Strategic Partnership", adopted by the European Council at its meeting on 15 and 16 December 2005⁴;
- The Council Conclusions of April 2006 on the EU-Caribbean Partnership⁵;
- The Council Conclusions of July 2006 on the EU Strategy for the Pacific⁶.

¹ Doc. 14453/03

² OJ C46 of 24.2.2006, p.1

³ Doc. 8388/06

⁴ Doc.15961/05

⁵ Doc. 8383/06

⁶ Doc. 11182/06